Hungary country profile

Hungary traces its history back to the Magyars, an alliance of semi-nomadic tribes from southern Russia and the Black Sea coast that arrived in the region in the ninth century. After centuries as a powerful medieval kingdom, Hungary was part of the Ottoman and then Habsburg empires from the 16th century onwards, emerging as an independent country again after World War I.

The Hungarian language belongs to the Finno-Ugric family and is one of the handful of languages spoken within the European Union that are not of Indo-European origin.

A landlocked country, Hungary is home to Lake Balaton, the largest in central Europe, and to a large number of spa towns and hot springs.

It has especially rich traditions in folk and classical music and was the birthplace of numerous outstanding performers and composers, including Franz Liszt, Bela Bartok and Zoltan Kodaly.

Hungary became a partner in the Austro-Hungarian empire in the mid-19th century. After a period of turmoil following World War I, an independent kingdom of Hungary was established.

The redrawing of European borders that took place after World War I left about five million ethnic Hungarians living in neighbouring countries. Their status remains a sensitive issue and has complicated Hungary's relations with its neighbours.

Following World War II, the country found itself under communist rule. An uprising against Soviet domination in 1956 was crushed by Red Army forces but Hungary did later become the first Eastern European country to gain some economic freedom. It embraced aspects of the free market while still under communist rule and in 1968 the authorities allowed limited decentralisation of the economy.

Hungary played an important part in accelerating the collapse of communism across Eastern Europe when in 1989 it opened its border with Austria, allowing thousands of East Germans to escape to the West. Just a few months later the Berlin Wall was history.

Hungary's post-communist economic transition was achieved relatively smoothly. Within four years of the collapse of communism nearly half of the country's economic enterprises had been transferred to the private sector, and by 1998 Hungary was attracting nearly half of all foreign direct investment in its region.

Ten years later, the picture looked rather less rosy. A high level of both private and state borrowing left the country particularly vulnerable to the credit crunch of 2008, and in October of that year the government was forced to appeal to the International Monetary Fund and the European Central Bank for massive loans in a bid to stave off economic collapse.

Dissatisfaction with the centre-left coalition government's handling of the economy from 2002 to 2010 coincided with the rise of the right-wing nationalist party Jobbik, known for its anti-Semitic and anti-Roma (Gypsy) rhetoric.

• Full name: Hungary

• Population: 10 million (UN, 2011)

• Capital: Budapest

• Area: 93,030 sq km (35,919 sq miles)

• Major language: Hungarian

• Major religion: Christianity

• Life expectancy: 71 years (men), 78 years (women) (UN)

• Monetary unit: Forint

• Main exports: Machinery and transport equipment, foodstuffs, chemicals

• GNI per capita: US $12,850 (World Bank, 2010)

• Internet domain: .hu

• International dialling code: +36

President: Pal Schmitt

Pal Schmitt became president of Hungary in August 2010, a few months after the centre-right party Fidesz - of which he was the vice-president - won a resounding victory in parliamentary elections.

After enjoying a successful fencing career - he won gold medals at the 1968 and 1972 Summer Olympics - he was a member of the International Olympic Committee and served as Hungary's under-secretary of sports.

Mr Schmitt was Hungary's ambassador to Spain and Switzerland between 1993 and 2002, and became the deputy president of Fidesz in 2003.

After being chosen as president of the country by the Hungarian parliament, he declared that he wanted to be "a man of the people" and that he intended to work closely with the government.

Unlike his predecessor, Laszlo Solyom, who did not hesitate to criticise the government of the day and was known to refuse to sign bills into law, Mr Schmitt has not raised objections to any government policies.

Prime minister: Viktor Orban

Mr Orban, whose centre-right Fidesz party won a two-thirds majority in parliament in April 2010, previously served as prime minister from 1998 to 2002.

Fidesz's landslide election victory allowed it to become the first party to govern alone since the fall of Communism, without coalition partners.

On coming to power, Mr Orban promised firm but moderate government, and drew a clear line between Fidesz and the far-right, euro-sceptic Jobbik party, which entered parliament for the first time.

Fidesz pledged to cut taxes, curb tax evasion, create jobs and reduce state bureaucracy. Mr Orban made an immediate start by pruning the number of ministries to eight - leaving him with the smallest cabinet in the post-communist era.

His biggest challenge was posed by Hungary's severe public debt problem, and he chose to tackle this with an unorthodox economic policy. In December 2010, the government introduced a law forcibly transferring most of the assets of private pension funds to the state to cut the high budget deficit.

In March 2011, it announced a series of fiscal reforms with the same aim, including cutting the eligibility period for unemployment benefiots, tightening disability pension rules and abolishing earlier retirement.

Mr Orban also ruled out renewing the IMF-led loan that rescued Hungary from financial collapse in 2008, to avoid giving the organisation too much say over Hungarian economic policy, potentially making it harder to meet the country's debt obligations.

Hungary reopened talks with the IMF in November 2011 with the aim of securing a credit lifeline in case of a deepening crisis in the eurozone, on which the country depends. However, the IMF cut short these talks after only a few weeks, citing concerns over the independence of Hungary's central bank.

On the political front, media laws introduced in January 2011 were widely criticised at home and abroad for undermining media freedoms. The government responded by making some changes which the EU declared to have assuaged its concerns.

Mr Orban's government then went on to make other legislative changes - including the introduction of a new constitution and controversial new election law - that critics alleged undermined democracy by tilting the system in favour of Fidesz.

Hungary's private broadcasters compete with public radio and TV. The public broadcaster has faced financial struggles, dwindling audiences and allegations of political influence.

Some European governments and media organisations criticised a controversial new media law introduced on 1 January 2011 as tightening government control over the media.

The row over the law clouded the start of Hungary's six-month EU presidency, but the government subsequently introduced changes to the law, which the European Commission said met its concerns about the registration of media, rules on the provision of balanced information, and restrictions on foreign media.

National and local newspapers are privately-owned, some of them by foreign groups and investors.

There were 6.2 million internet users by June 2010 (Internetworldstats).

The press

• Nepszabadsag - daily

• Magyar Hirlap - daily

• Magyar Nemzet - daily

• Nepszava - daily

• Heti Vilaggazdasag - political and business weekly

• The Budapest Sun - English-language

• The Budapest Times - English-language

Television

• Magyar Televizio (MTV) public, operates two channels

• Duna TV - public, satellite channel geared to Hungarian minorities in neighbouring states

• TV2 - private, terrestrial

• RTL Klub - private, terrestrial

• Hir TV (News TV) - private, news

Radio

• Hungarian Radio - public, operates Kossuth, Petofi and Bartok networks

• InfoRadio - private, news

• Class FM - private

• Neo FM - private

• Juventus Radio - private

News agencies/internet

• MTI - state-owned, English-language pages

• Hungary Around the Clock - English-language news site

• Havaria Press - private

Story from BBC NEWS:

http://news.bbc.co.uk/go/pr/fr/-/2/hi/europe/country\_profiles/1049641.stm

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